



11 Stanhope

Prepared by Dr. Jerry Courvisanos, Centre for Regional Innovation and Competitiveness, University of Ballarat

Introduction

Stanhope was described in the original 1988 small towns study as a manufacturing and service centre for an important irrigated dairying district. According to 2001 Census data, the role of manufacturing based on the dairy processing plant has remained significant. The same data reveals that this plant also continues to service the dairy farms in the district and provide significant jobs for these farms.

The original study noted the importance of service clubs and other voluntary organisations in providing 'community capacity building' to build and fund local facilities and amenities such as a community hall and a swimming pool. The recently established Stanhope and District Development Committee seems to be providing a similar function today for 'soft', or information technology infrastructure for business development and information-based transactions.

The 1988 study also noted that Stanhope faced a range of issues and concerns about its ongoing viability, including its narrow dairying economic base, strong competition from larger service centres, constraints on residential growth due to lack of facilities, and closure of V/Line freight services. This update identifies that essentially the same concerns remain.

Background

Stanhope's origins can be traced back to the 1840s gold rush. Initially called Lauderdale, the area quickly took on the name of the train station—Stanhope—after it opened in 1919 to service the soldier settlement, a joint British, Australian and Victorian Government initiative that enabled the establishment of irrigated dairy farms. The town centre grew from one school house, then the memorial hall, followed by its first store in 1920.

The Stanhope Cooperative Dairy Company (SCDC) opened its factory in the town in 1923, becoming the hub of town and setting the scene for what is Stanhope's centre of economic activity today. Competition for milk supplies began in 1948 and ultimately saw management decision making move from the town and the formation of Bonlac Foods Limited.

Unlike most country towns, Stanhope had no hotel because the sale of alcohol was prohibited on soldier settlement areas until after the Second World War. Only in 1962 was a permit granted for a hotel, leading to the opening of the Stanhope Hotel–Motel on the outskirts of town.

Location and township role

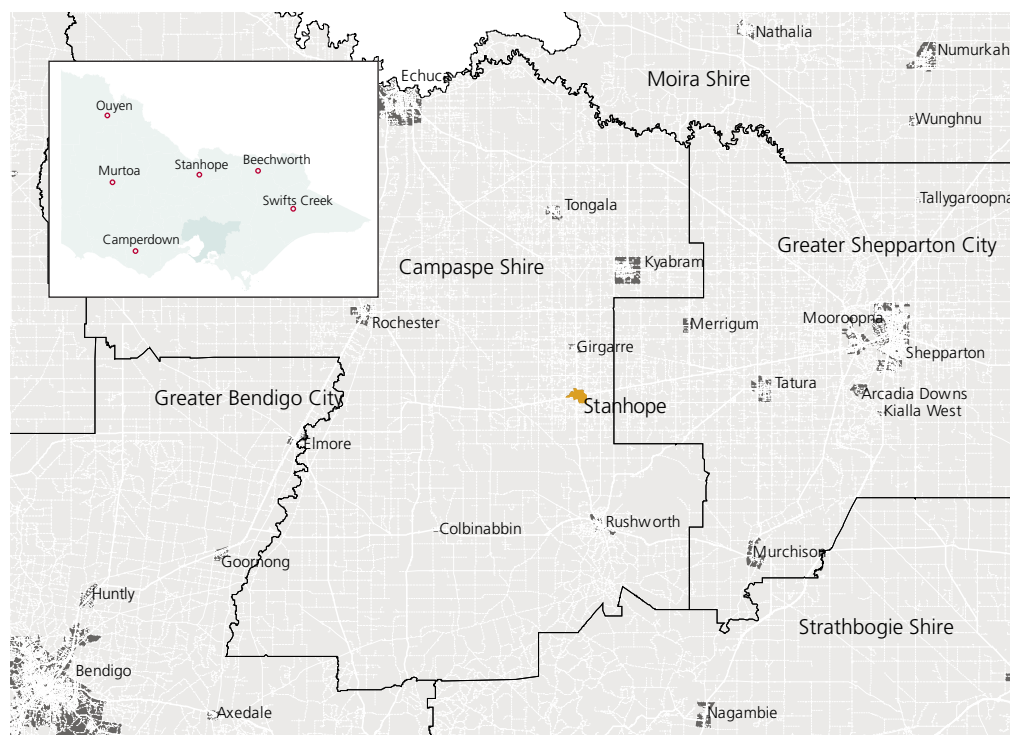
Stanhope is situated in the Goulburn Valley region of north-central Victoria. In 1988, Stanhope was part of the Shire of Waranga, with shire offices 16 kilometres south in Rushworth. Local government amalgamations in 1993–94 resulted in a much larger Shire of Campaspe being created. The municipal shire offices are now based in Echuca, more than 45 kilometres away.

While the 1988 study noted that the town's location off the main highway limits its potential as a centre for passing vehicle trade and stopovers, it also recognised its decline as a service centre, compared with what was prevailing

immediately after the Second World War. The pattern of slow decline continued after 1988 as bank branches were shut, public authorities became regionalised and moved out of the town (water, electricity and rural affairs), and the accommodation, cafés and restaurants sector declined from 11 employed in 1996 to nil in 2001. Data from the 2001 Census also noted a stable retail trade of 33 employed in 1981 and again in 2001. A strong determination by the Stanhope business owners and the SCDC to turn this decline around has seen a significant upturn in economic activity since 2001.

Stanhope remains a focal point for the surrounding community and farmers from the district. The strong sporting tradition is supported by excellent sporting facilities. With four churches, a public hall, primary school and kindergarten, police station, Country Fire Authority station, senior citizens club and community health centre, the town provides significant services for the district's community. The community has published a book on the history of Stanhope and has also produced a brochure to encourage people to live in the town.

Figure 11.1 Location of Stanhope



Source: Department of Sustainability and Environment



Population levels and trends

Population trends for Stanhope have shown significant movement. The period 1976–81 reveals a clear population decline of 61 people (Table 11.1) at an average annual rate of 1.19 per cent every year, followed by stability in the 1980s (Table 11.2). The early 1990s saw a small increase (0.5 per cent per year), followed by a significant decline of 51 people (-1.9 per cent per year) in the late 1990s. In contrast with the Shire of Campaspe, which has shown continual growth since 1976, Stanhope experienced a 14.3 per cent population decline between 1976 and 2001. Population levels and trends followed a similar pattern for Rushworth in the 1970s and 1980s, but this decline was reversed in the late 1990s.

Table 11.3 reveals an interesting shift in the gender pattern towards males in Stanhope in the 1990s after a long period of stability. This possibly reflects the fact that young females leave the town for study and work while young males are more likely to find work in farming or in manual jobs around town. Older females who remain after their husbands pass away only marginally readjust this gender balance. Another point of interest is the stability of the population, with 66 per cent of the population in 1981 and 2001 living at the same address as in the previous census. The rank in population size, from 180th to 224th in Victoria, reflects not only the declining population of the town, but also the increased number of towns attracting population growth.

Table 11.1 Population numbers in Stanhope and Rushworth, 1976–2001

Locality	1976	1981	1986	1991	1996	2001
Stanhope	600	539	520	551	565	514
Rushworth	1,020	994	948	1012	976	1,001
Balance of Campaspe	n.a.	28,966	29,053	30,767	31,779	33,096
Total		30,499	30,521	32,330	33,320	34,611

Source: Henshall Hansen and Associates report 1988, p. 181 (for 1976 figures); Department of Sustainability and Environment, Towns in Time data. (for remaining figures).

Table 11.2 Population growth in Stanhope and Rushworth, 1981–2001

Locality	1981–91	1991–96	1996–2001	1981–2001
	Average annual rate of change %			
Stanhope	0.2	0.5	-1.9	-0.2
Rushworth	0.2	-0.7	0.5	0.0

Source: Department of Sustainability and Environment, Towns in Time data.

Table 11.3 Population summary data, 1981–2001

	1981	1986	1991	1996	2001
Total population	539	520	551	565	514
Visitors on census night	11	14	10	14	9
Population in non-private dwellings	2	6	0	0	0
Male/female population ratio	49/51	49/51	49/51	52/48	53/47
Population living at same address five years ago	356	319	324	359	341
Proportion of LGA* population (%)	1.8	1.7	1.7	1.7	1.5
Rank by population size	180	191	197	197	224

Source: Department of Sustainability and Environment, Towns in Time data.

* LGA=local government area.

Table 11.4 shows that the ageing of the population evident in small inland rural communities is reflected in Stanhope. Of concern is the virtual disappearance by 2001 of the 0–4 and 18–24 year age groups, well below the percentages for regional Victoria. All four age groups from 0–34 years experienced decline in Stanhope during 1981–2001, whereas the four age groups from 35 years onwards increased, especially the oldest age group (75+ years), which grew 2.4

times its 1981 figure. In 2001, people aged 50 years and older made up over 37 per cent of Stanhope's population. This figure is significantly higher than for the same three groups in the Shire of Campaspe (32.2 per cent,) and in regional Victoria (30.8 per cent).

Table 11.4 Age structure of the Stanhope population, 1981–2001

Age group-years	1981		1986		1991		1996		2001		Regional Victoria 2001	Change 1981–2001	
	No.	%	No.	%	No.	%	No.	%	No.	%		No.	av. % p.a.
0–4	40	7.4	35	6.8	46	8.3	44	7.8	24	4.6	6.7	–16	–0.4
5–17	141	26.2	116	22.4	110	19.9	98	17.3	107	20.8	20.3	–34	–0.2
18–24	43	8.0	49	9.5	43	7.8	36	6.4	21	4.1	7.9	–22	–0.5
25–34	66	12.2	70	13.5	79	14.3	85	15.1	46	8.9	12.2	–20	–0.3
35–49	112	20.8	107	20.7	111	20.1	107	18.9	125	24.3	22.1	13	0.1
50–59	56	10.4	59	11.4	62	11.3	77	13.7	63	12.3	12.0	7	0.1
60–74	65	12.1	60	11.6	77	13.9	79	14.0	90	17.5	12.1	25	0.4
75+	16	3.0	22	4.3	24	4.4	38	6.8	39	7.5	6.7	23	1.4
Total	539	100	520	100	551	100	565	100	514	100	100	–25	–0.1

Source: Department of Sustainability and Environment, Towns in Time data.



Although the decreasing population was not an issue for residents, the ageing of the population and the ‘loss’ of young females was noted as a concern. A clearly ‘can-do’ community where people ‘...do it themselves if they want to get something...’ comes under stress as it progressively ages. The ageing of the population also places more stress on fewer people to volunteer for activities such as making grant applications for public funding.

Children attending Stanhope’s primary school divide equally between going to Kyabram High School and the smaller P-12 Rushworth school. In 2006, eight will go to each of the two high schools, making youth significantly more mobile

than in the past. There are few part time jobs in the town and sport is the only viable interest for youth, a situation consistent with smaller rural communities throughout Australia over the last 20 years. The reduction in small farms and the growing need for higher credentials has, however, exacerbated the tendency for youth to leave, especially from towns with only a primary school.

Table 11.5 confirms the already established pattern of population growth in the large towns of the district. The larger towns, which had grown between 1976 and 1981, continued to grow in 2001. Kyabram saw an 8 per cent increase, while Tatura increased by 11.5 per cent and Tongala increased

by 27 per cent. Murchison, being only a slightly smaller town than Stanhope in 1976, has continued to grow, experiencing a 20 per cent increase. Stanhope, Girgarre, Rushworth and Elmore have all seen their populations decline. By contrast, Shepparton has seen a 1 per cent average annual increase for the period 1981–2001, a 23 per cent increase, or 5,372 new entrants. Echuca, the local government service centre, experienced a 1.6 per cent average annual increase for the same period, demonstrating the ‘sponge effect’ (soaking up population from the smaller towns) of larger regional cities.

Table 11.5 Population levels in Stanhope and other towns in the district, 1976–2001

Town	Number of people						Change (1981–2001)	
	1976	1981	1986	1991	1996	2001	No.	av. % p.a.
Stanhope	600	539	520	551	565	514	–25	–0.2
Girgarre	283	268	265	232	209	214	–54	–1.0
Rushworth	1,020	994	948	1012	976	1001	7	–0.1
Kyabram	5,122	5,414	5,342	5,540	5,738	5,534	120	0.1
Tatura	2,630	2,697	2,702	2,778	2,826	2,931	234	0.4
Tongala	928	994	1,044	1,065	1,164	1,179	185	0.9
Murchison	559	596	593	660	633	672	76	0.6
Elmore	715	691	698	749	662	665	–26	–0.2

Source: Henshall Hansen and Associates report 1988, p. 183; Department of Sustainability and Environment, Towns in Time data.



Property values for these towns over the last 10 years further emphasise the difference between Stanhope and nearby towns. Table 11.6 shows that Stanhope experienced a 41 per cent rise in median house prices between 1994 and 2005, while Murchison (similar in size) had a 71 per cent rise. Stanhope's property values are falling behind towns such as Murchison, Rushworth (which had property values well below it in 1994), Shepparton and Tatura.

Reasons for the population decline include productivity increases through technological change, larger farm size and fewer farms; less jobs in town; higher education required for jobs; the attraction of urban culture; car dependence allowing more mobility away from town and reducing Stanhope's catchment area; regionalisation of services away from Stanhope; and natural decrease. Stanhope's changing demographics threaten to weaken its viability as a central focus for the community.

Table 11.6 Property values—median house prices, 1994 and 2004

Town	1994	2004	Change
		\$	%
Stanhope	80,000	112,500	40.6
Murchison	80,500	138,000	71.4
Nagambie	58,000	73,500	26.7
Rushworth	59,250	133,000	124.5
Shepparton	100,000	199,000	99.0
Tatura	88,000	182,000	106.8

Source: Waranga News, 22 September 2005, p. 6, citing 2004 report of the Victorian Valuer-General.



Labour force and employment patterns

The original study noted the largely stable labour force situation for Stanhope, and the update statistics (Table 11.7) confirms the same stable pattern through to 2001. This stable employment level makes up a larger proportion (from 35 to 41 per cent) of the decreasing population of the town. There is minimal unemployment because anyone who wants a job must leave the town to go to large centres where jobs can be found. In 2001, the participation rate of 55 per cent is significantly lower than that of the Campaspe Shire (62 per cent) and regional Victoria (61 per cent), indicating an ageing population that is 'not in the labour force'.

Bonlac employed 185 workers in 1987 (accounting for 60 per cent

of all employment in Stanhope) and 112 workers in early 2005. With Nestlé's Tongala plant having closed in September 2005, the new Bonlac owners (Fonterra) confirmed they would take over Nestlé's milk suppliers' contracts, thus increasing the volume of milk into Bonlac. The Bonlac plant hired another 20 workers in September 2005 to cover this increased volume of milk processing to a record 2.4 million litres. Despite the larger production levels, productivity increases through technological change have required fewer employees than 20 years ago.

Whereas 95 of the plant jobs were filled by Stanhope residents in 1988 (51 per cent of all Bonlac jobs), in late 2005 only 35 jobs were filled by Stanhope

residents (26.5 per cent). Only two of the 25 managers live in the town. The current site manager is based in Wynyard (Tasmania) whereas in 1988 the plant manager lived in the town. The 1988 study noted that 17 employees lived in Girgarre, whereas only two now come from that town. The dispersion is much wider in 2005; with 24 from Kyabram, 17 from Rushworth, 11 from Tatura, six each from Tongala and Rochester, and another seven from other nearby towns.

Management personnel tend to live further away, with 20 in the Shepparton-Mooroopna urban areas and another four in Echuca. Urban cultural attractions of the larger towns have created serious leakage of Bonlac employment away from the Stanhope district community.

Table 11.7 Labour force status of Stanhope residents, 1981–2001

	1981	1986	1991	1996	2001	1986–2001 change %	Regional Victoria 2001
Employed (no.)	206	217	225	196	210	4	558,876
Unemployed (no.)	15	16	15	28	9	–6	44,711
Not in labour force (no.)	170	161	178	213	180	10	386,020
Unemployment rate (%)	6.8	6.9	6.3	12.6	4.2	–3.0	7.4
Participation rate (%)	56.5	59.2	57.3	51.3	55.0	–1.5	61.0

Source: Department of Sustainability and Environment, Towns in Time data.



The original study also noted that Bonlac was not an attraction for school leavers in the town or the district, and this observation has become far more significant in 2005. In fact, the Bonlac laboratory is finding it difficult to attract degree-qualified microbiologists from Melbourne, resulting in an ‘attraction squeeze’ problem from both ends of the plant employment skill scale.

Table 11.8 shows that 35 per cent of the 2001 Stanhope resident labour force was employed in manufacturing (mostly at Bonlac). This is more than double that of regional Victoria (at 14 per cent), and emphasises the strong manufacturing base of the town. While similar percentages were noted for 1976 and 1986, absolute numbers in manufacturing employment have decreased from 90 in 1981 to 74 in 2001, a trend that has continued into 2005 despite the 20 new staff at Bonlac (Table 11.9).

Agriculture and retailing provided the only other significant employment sources of around 15 per cent (31 and 33 people respectively) in 2001. Agriculture is up from 11 per cent in 1976, but about the same as in 1986. Regional Victoria has seen a decrease in the proportion of people employed in agriculture over this period (to 11.5 per cent in 2001), whereas the Campaspe Shire has a strong but declining agricultural base, with nearly 21 per cent in 2001 (down from 34 per cent in 1981). Technological changes in agriculture are altering the nature of this employment, which is having significant effects on Stanhope.

Table 11.8 Employment by industry sector for resident Stanhope labour force, 1981–2001

Employment by industry

Agriculture, forestry & fishing
Mining
Manufacturing
Electricity, gas & water supply
Construction
Wholesale trade
Retail trade
Accommodation, cafes & restaurants
Transport & storage
Communication
Finance & insurance
Property & business services
Government admin. & defence
Education
Health & community services
Cultural & recreational services
Personal & other services
Total

Source: Department of Sustainability and Environment, *Towns in Time* data.



1981		1986		1991		1996		2001		Regional Victoria 2001	
No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
19	9.4	31	14.1	29	13.0	18	9.1	31	14.8	64,286	11.5
0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	2,224	0.4
90	43.7	81	37.4	77	34.3	80	40.6	74	35.4	76,629	13.7
6	2.8	5	2.4	4	1.9	7	3.4	0	0.0	6,360	1.1
7	3.3	8	3.9	8	3.7	12	6.3	15	7.2	38,181	6.8
11	5.5	10	4.4	28	12.5	8	4.0	19	9.1	25,201	4.5
33	16.0	36	16.5	25	11.1	18	9.1	33	15.8	87,531	15.7
7	3.3	3	1.5	6	2.8	11	5.7	0	0.0	27,993	5.0
3	1.7	3	1.5	4	1.9	3	1.7	3	1.4	19,838	3.6
0	0.0	0	0.0	0	0.0	7	3.4	0	0.0	7,179	1.3
5	2.2	8	3.9	5	2.3	0	0.0	0	0.0	11,269	2.0
0	0.0	0	0.0	7	3.2	3	1.7	0	0.0	37,684	6.7
5	2.2	3	1.5	4	1.9	0	0.0	3	1.4	18,834	3.4
9	4.4	14	6.3	11	5.1	10	5.2	12	5.7	43,072	7.7
8	3.9	8	3.9	15	6.5	16	8.0	16	7.7	61,880	11.1
3	1.7	3	1.5	0	0.0	0	0.0	0	0.0	11,428	2.0
0	0.0	3	1.5	0	0.0	3	1.7	3	1.4	19,286	3.5
206	100.0	217	100.0	225	100.0	196	100.0	210	100.0	558,875	100.0



Retailing employment numbers in 1981 were the same as for 2001, with percentages similar to regional Victoria and Campaspe. Cultural and recreational services fell to zero in 2001 (from more than three in the 1980s), but health and community services has risen from around eight jobs in the 1980s to 16 in 2001. Because the survey of employment did not reveal whether residents employed in health and community services worked in town, we can only conclude that they are employed in larger towns in the district.

Table 11.9 shows significantly lower actual employment in Stanhope 18 years on, irrespective of whether or not they are Stanhope residents. In fact, 73.5 per cent of Bonlac employees are not Stanhope residents. Although Bonlac uses some of the town's services, there appear to be weak multiplier effects from Bonlac employees in terms of economic activity of the town, a significant change from the situation prior to 1988.

The limited pool of skilled labour in Stanhope was evident in the number of positions occupied by residents from nearby (usually larger) towns. This is the case not only for Bonlac and the knackery; the nurse at the community health centre and the four-day-a-week pharmacy assistant live in Kyabram, 15 minutes from Stanhope. The two bakers and other full time staff at the café also reside in neighbouring towns.

Table 11.9 reveals a small reduction in retail trade employment between the two surveys. Regionalisation of State Government services and local council amalgamations have reduced public sector employment in these two areas, from about 25 jobs to zero. And the same 'lower order' service delivery focus

evident in 1988 is present in 2005: the one police officer still does not live in town, community health is provided by the Kyabram and District Health Services through regular visits by medical professionals, there is only one basic hotel-motel with six rooms, and one takeaway/café with a basic menu.

Table 11.9 Estimated employment by equivalent full time position (EFT) located in Stanhope township, January 1988 and November 2005

Organisation	Employment EFT	
	1988	2005
Bonlac	185	132
Retailing (11 shops in 1988; 12 shops in 2005)	35	30
Primary school & kindergarten	10	10
Health centre	2-3	1
Police	1	1
Local government	5	0
Rural Water Commission	18	0
Other*	55	59
Total	310	233

Source: Henshall Hansen and Associates report 1988, p. 186; anecdotal reports received in September and November 2005.

* 'Other' is explained in the 1988 study only as 'includes hotel/motel, offices, post office, etc'.

The November 2005 survey included the following EFT employment in 'Other':

- the knackery—39 including owner
- the hotel-motel—five including owner
- concrete products—four including owner
- engineering works—seven including husband and wife owners as two
- the post office—one including husband and wife owners as one
- the motor mechanic—one self employed
- electrical appliances service—one self employed
- a plumber and gasfitter—one self employed.



Major jobs growth in Australia between 1988 and 2005 has been in small business self employment, influenced by a relative decline in public sector employment and a rising demand for personal services (Schaper and Volery 2004, p. 87). This trend is also reflected in Stanhope. Many of the retail and service businesses in the town are worked by the owner(s) who are counted as 'employed'. This also makes it hard to calculate numbers employed, for example, a wife-and-husband team has recently bought the Stanhope Post Office franchise, running it together (with an older child) while sharing the workload, which may at times be equal to one EFT or to three EFTs. Some of the self employment services not counted in 2005 include:

- Bowtech Bowen Therapy
- Tara Jukebox Hire
- Potter-ing Around (a recently started carpenter/handyman)
- Lynzbar (local wine and cheese tasting/sales).

Another nationwide labour force trend reflected in Stanhope is the increase in part time, casual and seasonal employment. Many women seek such off-farm employment to supplement lower incomes from drought and debt-ridden dairy farms, and some men work across a broad rural district on various seasonal jobs, making employment estimates complex.

Of Bonlac's 132 employees, between 22 and 25 are seasonal and another six are casual. Stanhope's retailing sector has approximately 18 people who work part time, including spouses of the business owners. The hotel has eight casual workers, while the knackery has a further 12 seasonal workers at peak times (August–October). The pharmacy and community health centre operate with one staff working four days and another working one day. The concrete products business has three casual employees who work a full five-day week. The Stanhope Business Centre has a person working six hours a week and two volunteers work at the Friends of St. Matthew's Stanhope opportunity shop.



Household income

The proportion of residents in the second household income quartile has risen since 1986 but the proportions in the higher income third and fourth quartiles have decreased, perhaps indicating a shift from higher to lower income groups. This pattern is not consistent with regional Victoria and Campaspe, where the proportion in the fourth (highest) income quartile is about four percentage points higher. These figures do, however, support the fact that there are less professionals employed in the town.

Some concerns were noted about itinerant low income or unemployed people in the town who are attracted to very cheap rental accommodation and who do not form links to the community. Table 11.10 reveals, however, that such people statistically did not seem to have contributed to an increase in the lowest income quartile in 2001 compared with 1981.

Table 11.10 Household income of Stanhope residents, 1981–2001

Household income %	1981	1986	1991	1996	2001
1st quartile (lowest)	32.4	36.9	32.5	33.3	33.0
2nd quartile	35.9	22.2	25.7	30.2	31.5
3rd quartile	18.1	26.4	30.1	26.4	23.5
4th quartile (highest)	13.6	14.5	11.7	10.2	12.0

Source: Department of Sustainability and Environment, Towns in Time data.



Town-based business

The 1988 study raised concerns about the strong competition for retailing trade from large shopping centres, especially Kyabram and Shepparton. The attractive location and streetscape of Stanhope was a positive for town visits and the original study recommended town traders to be 'ever vigilant for market opportunities' and improve signage for the town on the Midland Highway. The earlier study ignored other businesses within the town's precinct, notably the hotel-motel, the knackery, and the concrete products and pump engineering businesses.

As at November 2005, the town centre businesses consisted of a post office, a newsagency, a butcher, a supermarket, a hair salon, a fruit and vegetable shop, a hardware store, a chemist, a café/bakery, a gift shop, a motor mechanic, and an opportunity shop. Together with three other businesses away from the town centre, Stanhope Motors, the hotel-motel and a petrol/tyre service centre, Stanhope businesses provide a basic lower-order commercial centre that has not altered much since 1988. The town has, however, seen a recovery in town business from a significant decline registered in the 1996 Census. Most businesses have undergone considerable change since the depth of the mid 1990s, town decline and subsequent drought conditions. Their innovative and entrepreneurial efforts provide the town with a sense of vitality.

About 25 per cent of the town's retail floor space remains vacant (as in 1987)

and there are still some lower-order retail activities such as the opportunity shop and an old garage. The town has poor signage on the Midland Highway and no sign on the Hume Highway (unlike the other major towns of the same size or larger, which have large signage at the turn-off on the Goulburn Valley Highway). While clearly not a tourist town, Stanhope still needs to be recognised as a significant service town.

Hotels in most small towns serve as a centre for informal and formal meetings, but Stanhope's unassuming 1960s-style hotel-motel one kilometre west of the town does not fill this community role. Very few Stanhope residents regularly patronise the one hotel; local business travellers, lower income single males, and mixed youth from nearby towns form the core customers. The owner is introducing activities such as live music and pool competitions, the latter attracting youth from Rushworth to the hotel and eschewing the two 'Rushy pubs'. If successfully developed, these initiatives could be another way of broadening the narrow economic base of Stanhope.

The second largest knackery in Victoria, with 39 full time and 12 seasonal workers, lies just south-west of the town. A business producing concrete pipes and doors for pipes lies a little further to the west, with three virtually full time casuals and the owner all living in Stanhope. The small efficient engineering works, which services many dairy farms with pumps, has seven full time staff (including

husband-wife owners), down from a peak of ten prior to the drought. All three businesses provide a small healthy diversity to the economic base.

Dairy industry situation

The 1988 study identified irrigated dairy farming, associated processing and support services as the narrow economic base upon which Stanhope was dependent. With such little diversity, the town had little protection from the adverse effects of changes in prices, weather and technological change. This same narrow economic base continues to exist today.

Drought conditions that persisted for about seven years up until early 2004 had a significant impact on Australia's farming sector. In the Stanhope district the drought has resulted in heavy debt burdens on small farms have led to two contemporary situations. One is the consolidation into larger dairy farms; the other is selling the farms as horse studs, which require much less water and less daily management. Along with these developments comes the widespread selling-off of irrigation water rights, some for short term speculation. The relationship between the town and farms will be changed permanently as these trends continue. Broad acre farming (or grazing) and large managed dairy farms allow owners greater mobility than in the past, with less need to visit Stanhope as a service centre.



Bonlac underwent a major restructure in 2004 to help reduce costs and the effects of the drought on milk supplies, preparing the way for a takeover by Fonterra. An agreement by Fonterra with Nestlé will allow more milk supplies into the Stanhope plant, which should help bring the plant closer to full capacity. Significant refurbishment investment is also being committed by the new owners. Thus, the fears of Stanhope residents that Bonlac would close have been replaced by a very modern plant operating at near full capacity, albeit with significantly fewer employees.

The Bonlac factory has no public outlet and the previous management prevented any local sales of its cheeses. This market opportunity was recognised by a member of the SCDC, who has decided to start up a business selling local cheese and wine to tourists. This venture will provide a new way to promote Bonlac's dairy products.

Bonlac is supporting the publication of About town, the Stanhope Business Centre's monthly newsletter. Both the cheese and wine bar, and the newsletter are developments that are encouraging signs of how the town and the dairy processor can develop a stronger relationship for the benefit of both parties. There is also an opportunity for

the role of Fonterra to be developed in terms of corporate social responsibility. The company may be willing to support the primary school, the business centre and local businesses, or even forge sporting links such as Ford and Geelong have with AFL football, and Phillips Electronics-PSV and the Dutch town of Eindhoven have with the famous PSV-Eindhoven soccer team.



Community services

The Shire of Campaspe was formed 10 years ago, moving the shire offices from Rushworth (16 kilometres away) to Echuca (around 45 kilometres away). Shire services include a kindergarten, a senior citizens centre, a library depot, nursing visits, and seed funding for community projects. The shire community development officer provides the major link to the town for these services, but there are major concerns that this far southern part of the shire is being neglected. The new larger shire should be able to deliver better municipal services.

Local residents feel that basic local government services are generally well conducted but the broader shire responsibilities were much more problematic. It has been difficult to gain support for a caravan wayside stopover on the highway into town; there have been difficulties with new curbing and draining of residential blocks; and there has been a slow response to representation for VicTrack land to be released for residential and recreation purposes. The Stanhope Community Plan set up by the shire in late May 2005 seems to be at odds with the SCDC, providing little synergies or close connections. The shire has taken its 'shire-wide' approach into Stanhope without recognising the town's institutions, culture and developments. There also appears to be no clear monitoring and evaluation of the community plan based on an explicit implementation schedule.

The primary school and kindergarten have a combined management, a situation that arose when the kindergarten could not get a teacher and was under threat of closure. The kindergarten teacher works both at the kinder and at the school, allowing flexibility in management and a career structure for the teacher. This has created its own unique market opportunity. With no kinder in nearby Girgarre, parents bring their children into Stanhope. With a good strong school program and the desire of Girgarre children to remain with their Stanhope kinder friends, the Girgarre parents are increasingly enrolling their children at the primary school, thus extending its catchment area and ensuring its survival.

The primary school had 110 students in the late 1980s and 148 in the late 1990s prior to the drought. It has now stabilised at around 105 students, with 14 attending kindergarten. The school is well resourced with excellent new toilets⁴, laptops in all rooms and good playground facilities. The pull of a Melbourne university education is strong for school leavers, who only occasionally visit the district after they leave. To counter this situation, the Greater Shepparton City Council recently distributed a brochure to schools throughout the Goulburn Valley highlighting the costs associated with higher education in Melbourne, and identifying the benefits of higher education in the Goulburn Valley stretching from Bendigo to Shepparton.

With the development of electronic information technology, the community was initially concerned about being locked into Shepparton in terms of internet service providers. The SCDC brought broadband services into town. It also established the Stanhope Business Centre under the Rural Transaction Centre federal government initiative, which provides many electronic-based courses and services on the back of an impressive bank of seven computers in the former National Australia Bank building.

Public transport is still a problem with an infrequent and poorly patronised service. While all the banks have left the town, the SCDC is attempting to establish an on-line agency of the Bendigo Community Bank at the Business Centre. All four churches have no resident clergy and in September 2005 the Uniting Church ceased conducting services in Stanhope.

⁴ *The Age* recently published a study of small towns and found that the state of primary school toilets is a very good guide to the state of small rural communities.



Community development

Since the 1988 study, there is evidence that the community has continued to act as the major force in the town's development. The Stanhope Chamber of Commerce and Industry has made strong representations in a number of inquiries on rural services and has also produced a colour brochure called Stanhope: a great place to live. The SCDC was set up in April 2002 in response to the impending closure of the one remaining bank.

The sporting clubs (bowling, tennis, swimming, football and cricket) have been the focal point of much activity and have exceptional facilities for the size of the town, some of which are maintained by funds generated from liquor licences. There are 11 grass tennis courts at the club and another two clay courts in the public reserve, two bowling greens, two outdoor netball courts, two Australian Rules fields (one with clubrooms and grandstand) and one 25-metre swimming pool.

A sign of the ageing population is the collapse of three of Stanhope's four service clubs since 1988. The elderly volunteers will not be able to continue to maintain important services for the community indefinitely, thus alternative models of community development need to be built. When the Apex club folded, for example, its successful creation of the annual Stanhope Dairy and Machinery Field Days was taken over by a committee. This is now a major event for the town and for much of the Goulburn Valley. The field days have returned more than \$500,000 to the local community since they began in 1983.

Such community developments identify particular 'competitive strengths' that could help attract visitors to the town. The lack of accommodation, however, limits this development but the hotel owner has indicated that he can significantly increase the accommodation space if the demand becomes evident.

Local news is provided at three levels. At the commercial level, there is the Kyabram Free Press, which comes out twice a week, with a district news section including Stanhope. At the community newspaper level, there is the Waranga News, based in Rushworth, which comes out fortnightly with about 40 pages of district news and information. At the Stanhope business

level, the Stanhope Business Centre produced About Town; a monthly newsletter covering business-related matters specifically for Stanhope. This diverse range of media should be used more actively to further develop Stanhope's competitive strengths.

Bureaucracies in large organisations, be they private or government, have been a concern for the local community. The locals have identified administrative 'red tape' and regulatory burdens that diminish their ability to take action. Whether it is gaining corporate support, having residential land approved, applying for grants, or complying with regulations, the task is often large and intimidating for an ageing population unfamiliar with global, national and state protocols. More innovative approaches to bureaucracy are needed so that environmental, occupational and other extreme risk factors can be more effectively accommodated with contingency plans that the community sees as valuable.



The future

The town shows significant signs of ageing, with incremental innovation attempting to reinvigorate the old development process based on the current narrow economic base. Given the structural changes in global economics, represented by Fonterra, it is a moot point whether such reinvigorating attempts have a long term future. They do, however, play a significant role in providing much needed short to medium term community development.

In regions such as the Goulburn Valley, where many small towns are within close proximity to each other, innovative developments in one town can have significant negative effects in nearby towns. Successful catchment extension by Stanhope Primary School, for example, is threatening the viability of Girgarre Primary School. And with the closure of its dairy plant, Tongala is facing the threat of its dairy truck depot moving to Stanhope, a major gain for Stanhope but one that will further weaken the sustainability of Tongala. This situation points to a future where small towns will need to identify particular niche opportunities to survive.

There is some support for opening up further residential land as a supply side process to development. Considerable population growth is forecast by the Department of Sustainability and Environment for the towns and districts in the Stanhope catchment area.⁵ An estimated 22,260 new residents are expected to locate there by the year 2030. Many of these new residents will be seeking accommodation in or close to the main settlements including Shepparton, Echuca and Kyabram, but there may be commuter/dormitory opportunities for a small town like Stanhope. The attraction of Stanhope includes cheap residential land (\$40,000 per lot compared with \$75–90,000 per lot in Kyabram, \$100,000 in Tatura and \$120,000 in Shepparton), natural gas and other town amenities, and excellent sporting facilities. This approach needs to be assessed against the constraints of the rising cost of petrol, no 'greenchange' opportunity, no high school, limited interests outside sport, high social visibility and proximity, and negative attitudes to non-mainstream lifestyles.

Two other potential developments requiring investigation are visitor attraction and the establishment of new industry. Visitor attraction needs to start small and grow with billeting accommodation, like the start of the Port Fairy Folk Festival. A new industry is much more difficult to attract and could raise various economic, social and environmental issues. Some sort of irrigation-based environmental industry may be an option. Government programs have been few and have tended to favour incremental developments that have not altered the direction, structure and dynamics of the town. State Government needs to encourage and support more radical innovations in the context of Stanhope and its sustainability, ones that identify competitive strengths in niche areas of visitor attraction and new industries.

This catchment includes statistical local areas (SLAs) for Campaspe–Kyabram; Campaspe–South; Greater Shepparton–Part B West; Greater Shepparton–Part A; and part of Campaspe–Rochester SLA.



Current key issues

- The ageing population and 'burn-out' of the few people involved is placing pressure on the sustainability of the strong community action evident since 1988.
- Environmental problems are a future concern, including increased petrol-based motor vehicle mobility (trucks and cars), waste water problems from industrial activity, and water retention and consumption given continued water shortages.
- There is a need for a stronger political voice on key issues at local and State Government levels, which may require a reorientation of priorities and strategies of local activists.
- The relationship between the shire and the SCDC needs to be developed with mutual appreciation of the strengths that each can bring to the town's future.
- The role of Fonterra needs to be developed to ensure corporate social responsibility is evident and working across many community activities.
- Local and State Governments need to support the town in a more active and responsive manner. They must also be less bureaucratic and reactive to the town's needs, and allow more initiative from the community. Nevertheless, broad government development guidelines are vital to set clear ground rules for town activity.
- Limitations of incremental innovations must be recognised. Efforts to investigate new opportunities based on competitive strengths that have not been developed are also required because there is no role for standard tourism or 'greenchange' living.
- Social, economic and political isolation must be examined so that the town becomes more inclusive and supports new initiatives.

References

- Henshall Hansen and Associates 1988, *Study of small towns in Victoria*, Victorian Department of Agriculture and Rural Affairs, Melbourne.
- Schaper, M and Volery, T 2004, *Entrepreneurship and small business – a pacific rim perspective*, Queensland.
- Sherman, J, Sefton, D and Walker, D 1991, *Recollections of early Stanhope*, Stanhope Lions Club.